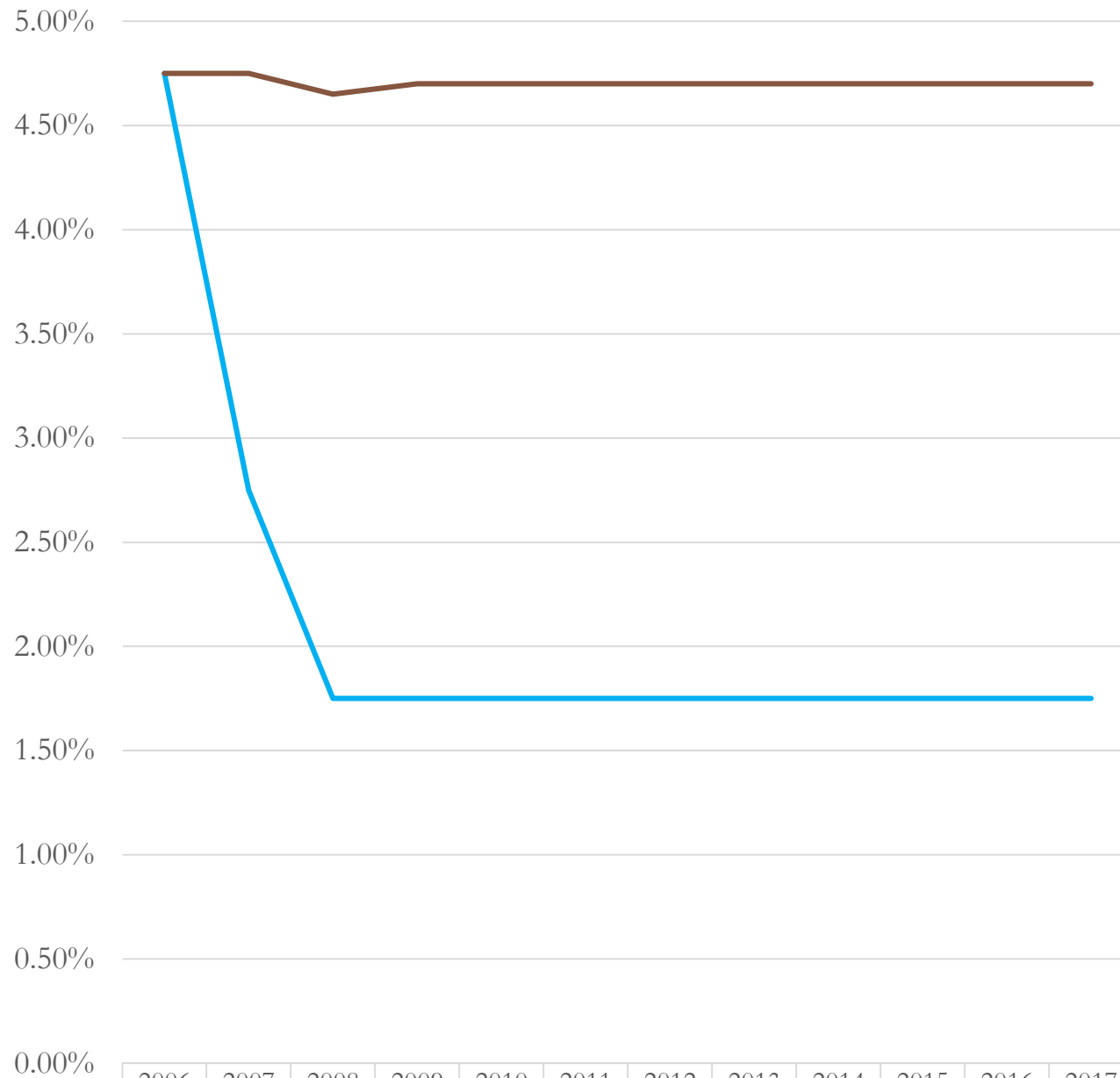


# Food Tax

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*REVENUE AND TAXATION INTERIM COMMITTEE*

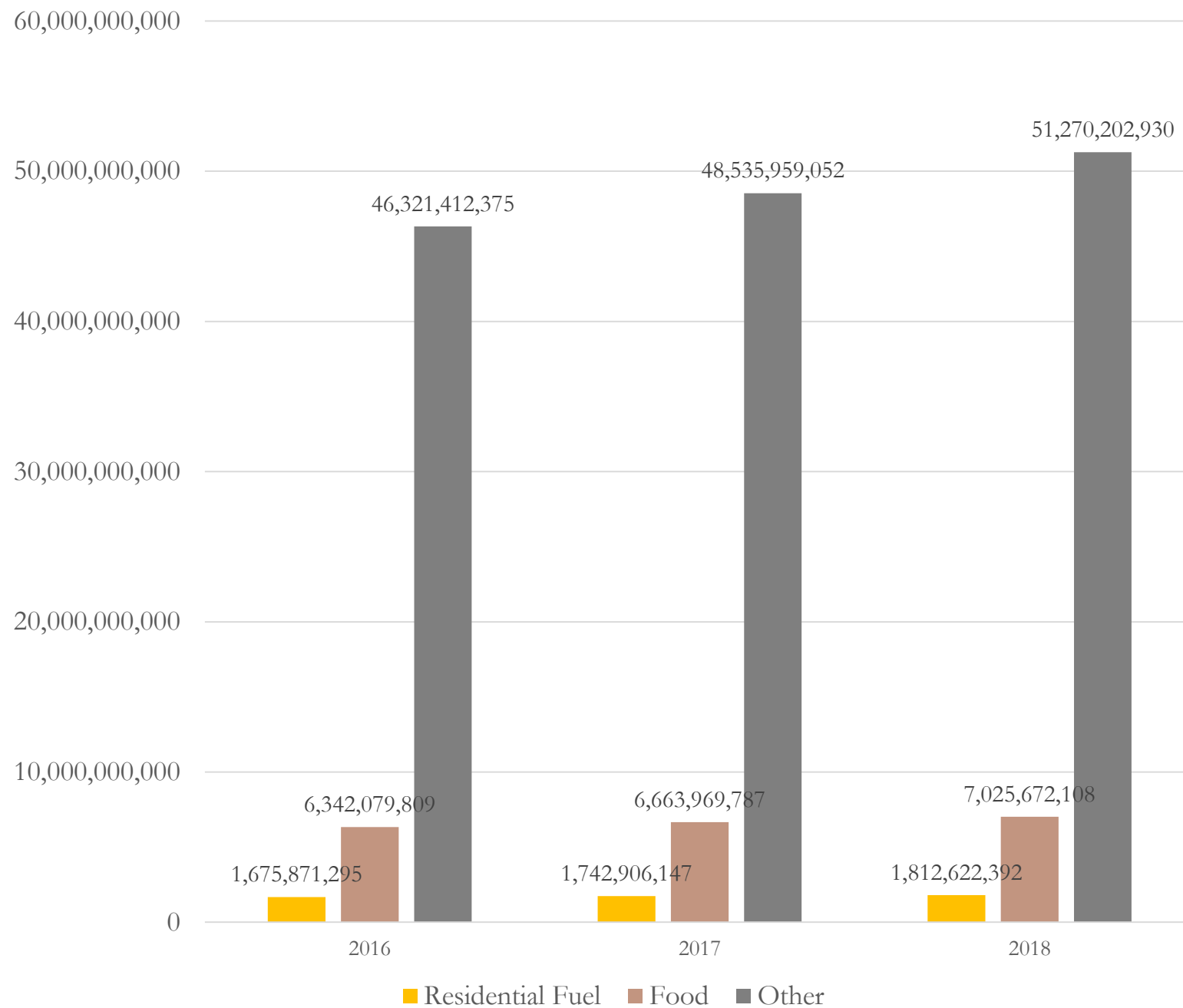
Food Sales Tax Rate and General Sales Tax Rate Across Time



Food Rate	4.75%	2.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
General Sales Tax Rate	4.75%	4.75%	4.65%	4.70%	4.70%	4.70%	4.70%	4.70%	4.70%	4.70%	4.70%	4.70%

# Food and Non-food Rate History

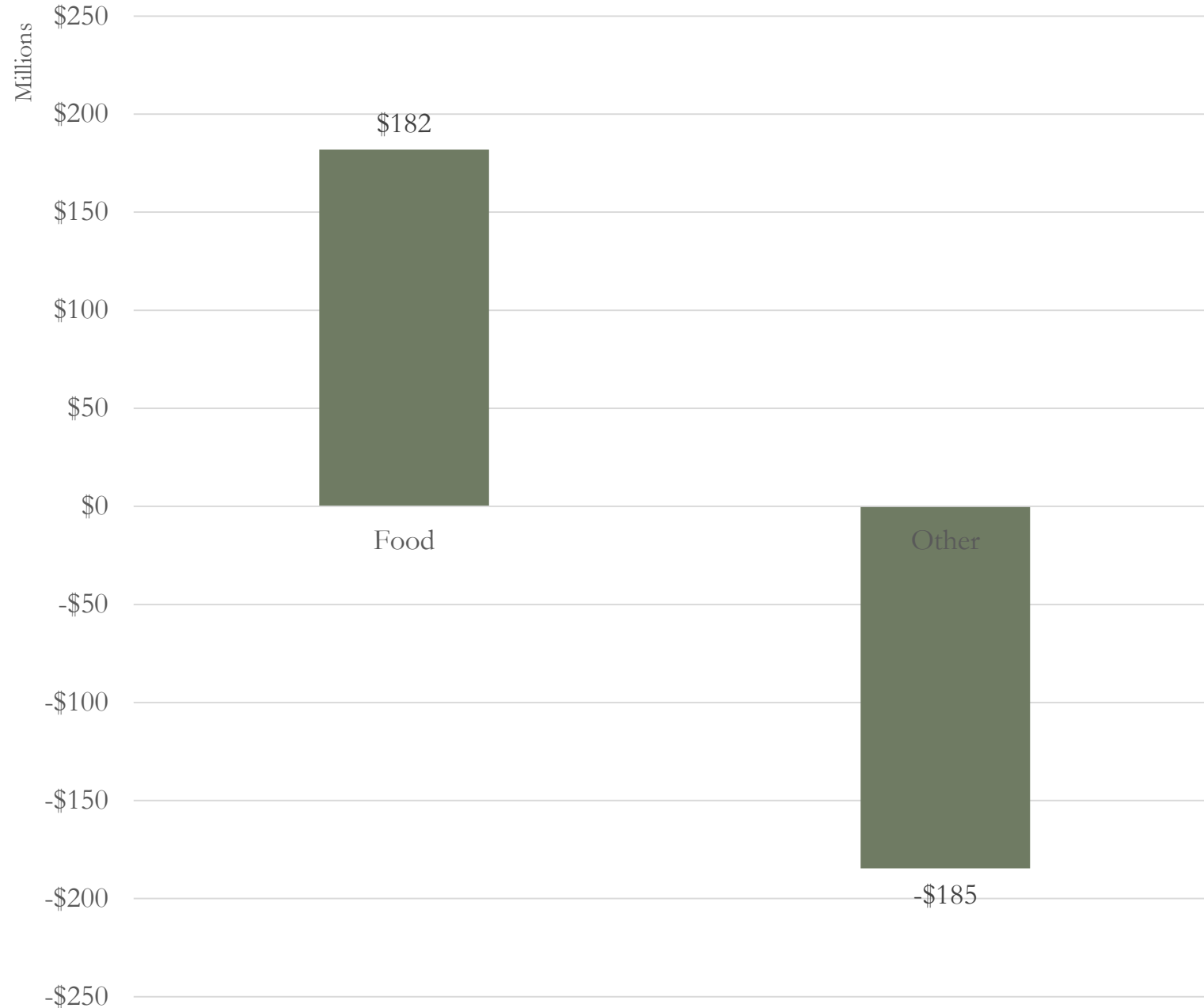
## Sales Tax Bases



## Taxable Sales Bases

How much revenue is associated with increasing the food tax rate to 4.7%?

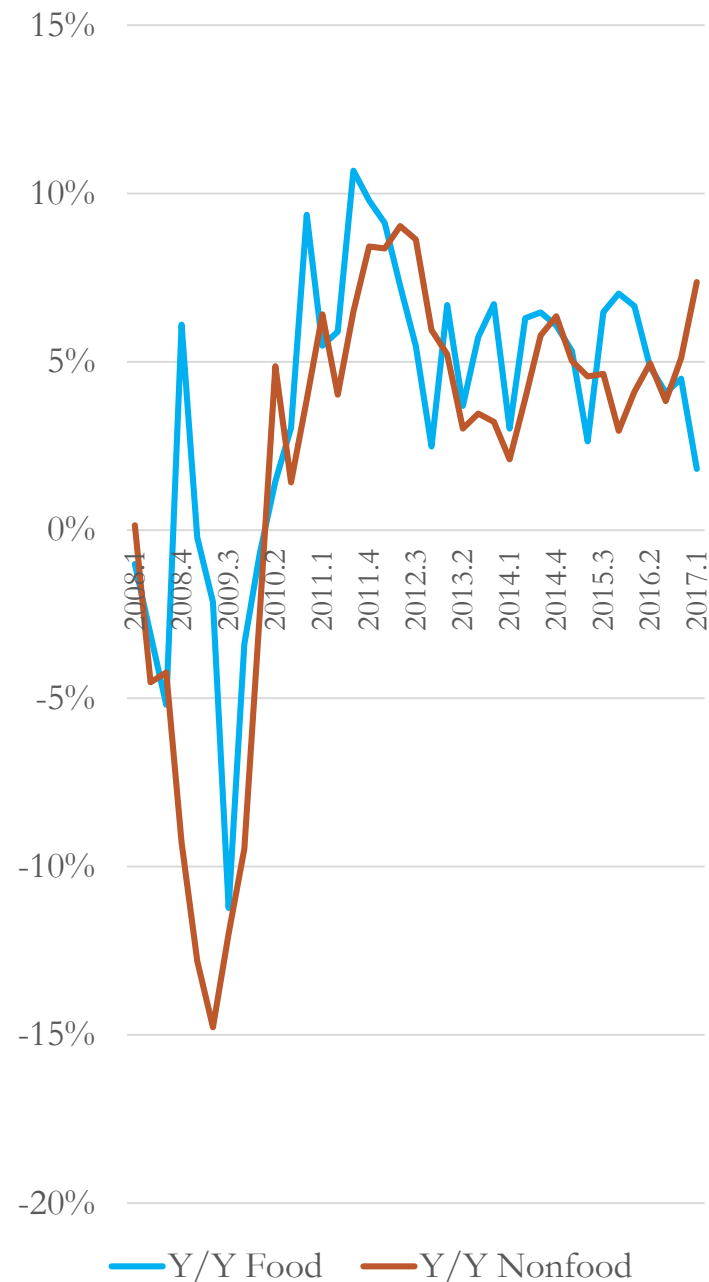
Revenue Change in FY 2018 from a 4.34% State Sales Tax Rate on Food and Non-food



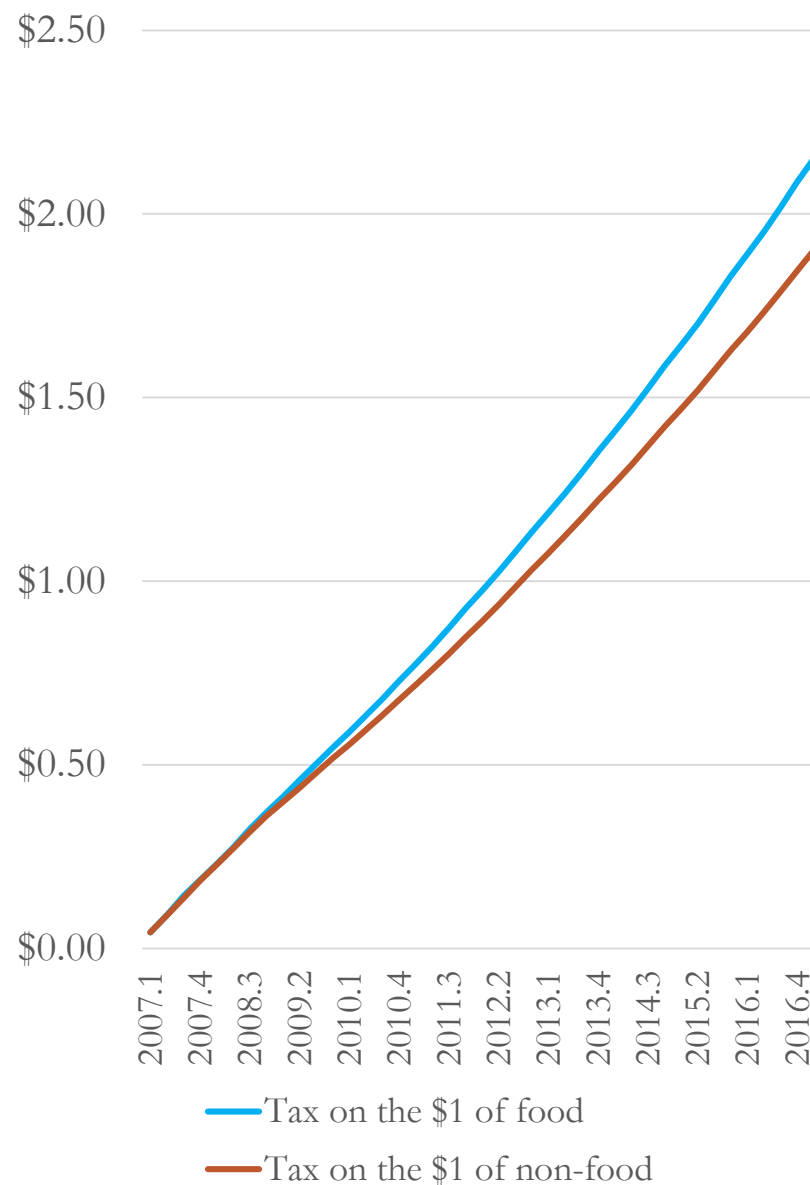
## Revenue Neutral Rate

What is the revenue neutral sales tax rate that equalizes the food/non-food tax rate?

Y/Y Food and Non-food Taxable Sales



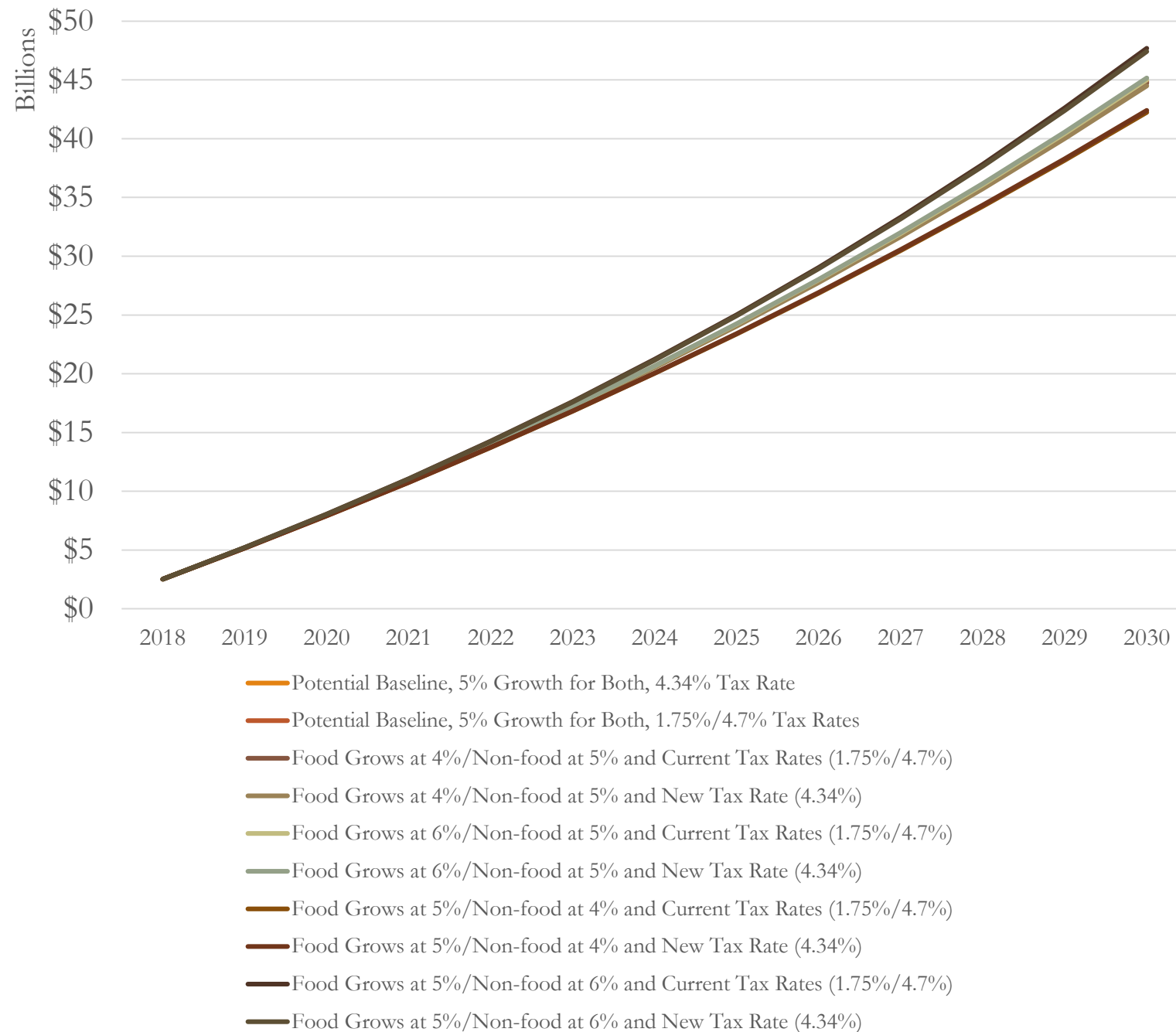
Cumulative Tax from:  
\$1 of Food and \$1 of Non-food  
Assuming Food/Non-food Grow at the  
Historical Experience



# Long-Run Budget Implications

## What are the long-run budget implications?

Various Cumulative Revenue Scenarios



Long-Run  
Budget  
Implications

What are the  
long-run  
budget  
implications?

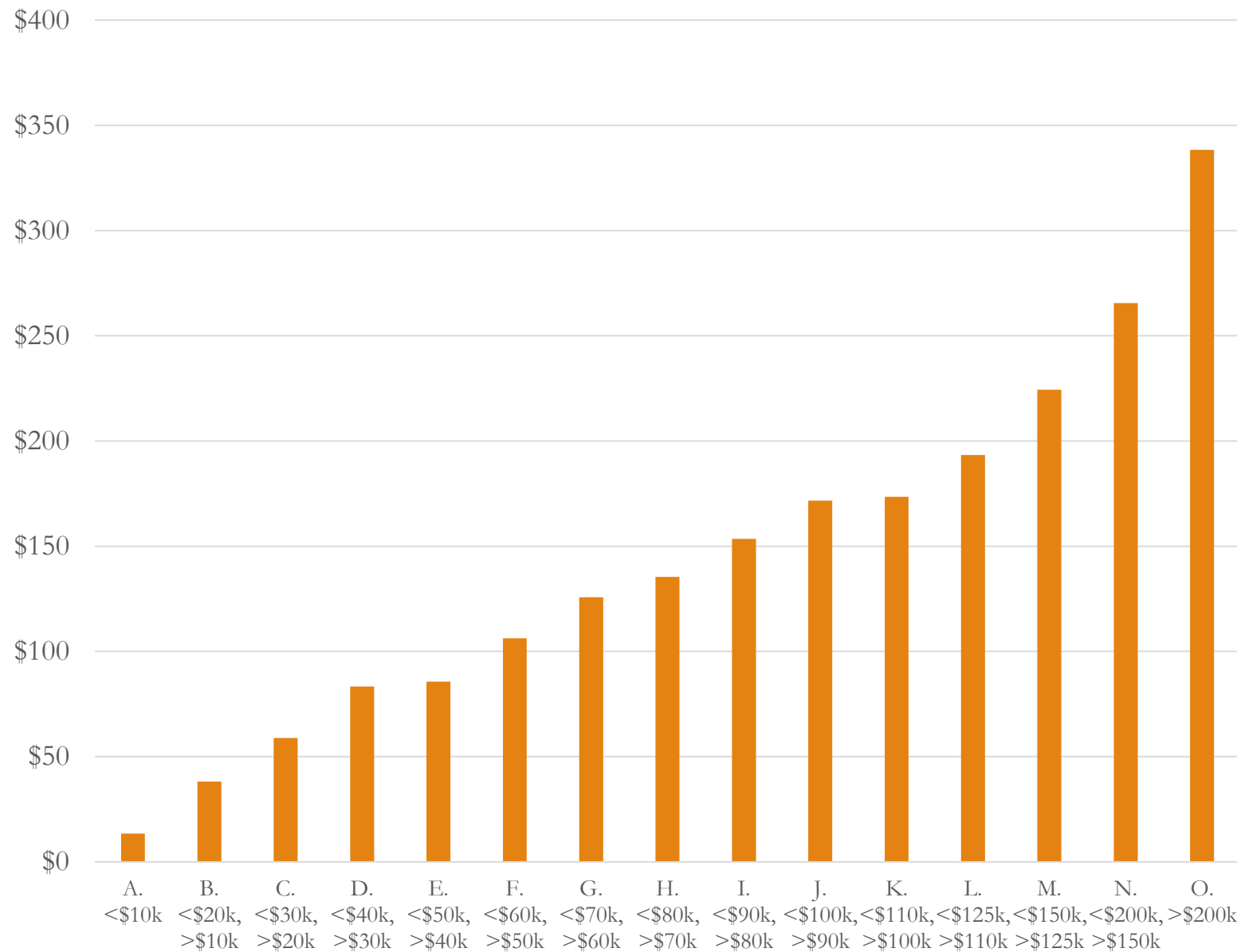
Various Cumulative Revenue Scenarios



# Long-Run Budget Implications

## What are the long-run budget implications?

Median Sales Tax Change by Income Group  
by Lowering Overall Rate to 4.34% and  
Increasing Food Rate to 4.34%  
(Dollars per Year)



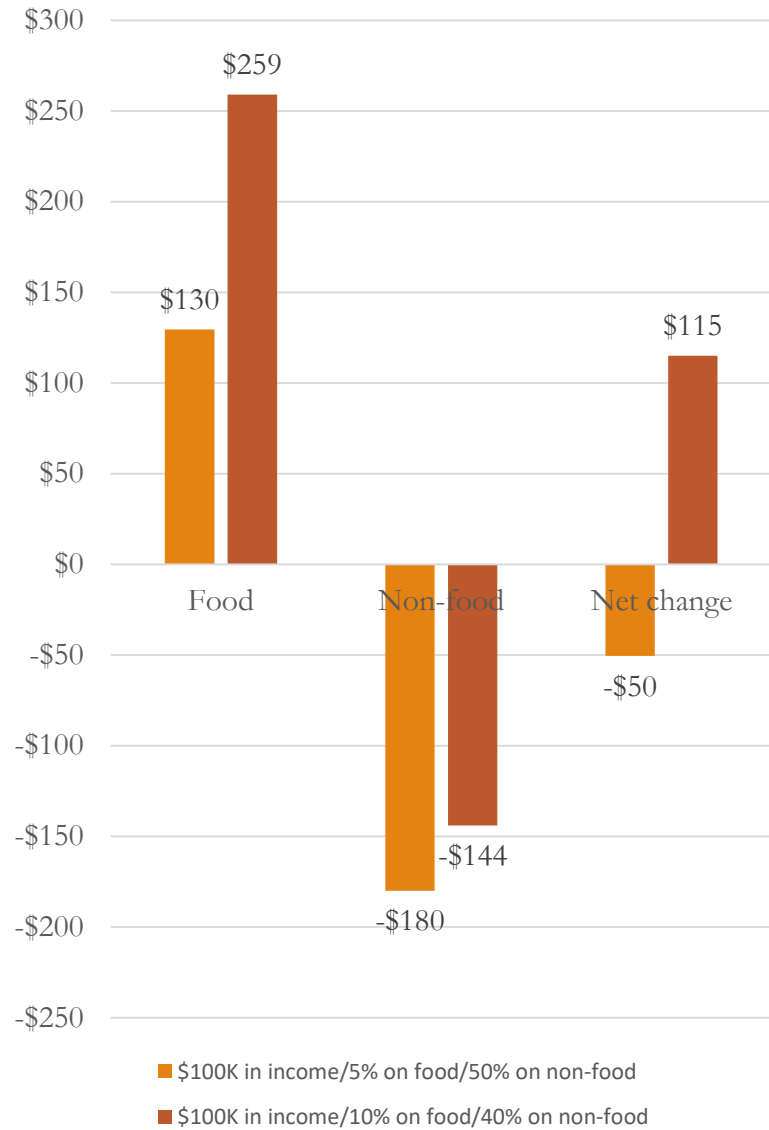
## Individual Impact

What is the Impact by Income Group of an Equalized Rate?

Scenario 1:  
\$10K in income/11% or 0% of  
income on food/25% on non-food



Scenario 2:  
\$100,000 in income/differing  
percentages on food/non-food



Scenario 3:  
\$1,000,000 in income/differing percentages  
on food/non-food

